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Item 6 of the provisional agenda

**RAPPORTEUR'S REPORT FOR ASIA AND THE PACIFIC REGION
TO THE UN/CEFACT PLENARY IN MAY 2002**

Submitted by the UN/CEFACT Rapporteur for Asia

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The present Rapporteur's Report for Asia and the Pacific Region is presented to the Plenary for information.

1.0 Introduction

The promotion and development of trade facilitation and electronic business related activities in Asia and the Pacific region has been addressed by many national and international organisations who have mandates of similar nature. Few of such initiatives have been covered in this paper. However, coordinated efforts in the region has been made by Asia Pacific Council for trade facilitation and electronic business (AFACT) having membership of the countries and economies such Australia, China, Chinese Taipei, India, Indonesia, Islamic Republic of Iran, Japan, Malaysia, Mongolia, Pakistan, Philippines, Sri Lanka, Singapore, Thailand and Viet-Nam. The issues and the activities addressed by this institution have also been integrated into this paper.

2.0 AFACT led developments

The 19th session of the Asia Pacific Council for Trade Facilitation and Electronic business (AFACT) back to back with an Electronic Commerce and Trade Facilitation International Conference called “EDICOM 2001” was held at Jakarta, Indonesia from 1st to 3rd Oct. 2001 and 4th to 5th Oct. 2001 respectively. Eleven countries economies, namely Chinese Taipei, India, Indonesia, Islamic Republic of Iran, Japan, Malaysia, Pakistan, Republic of Korean, Singapore, Sri Lanka and Thailand participated in the meetings.

The Joint working group meetings for XML Working Group (XML WG), Purchase Working Group (PWG), Awareness and Education Working Group (AEWG), Transport Working Group (TWG), Security Working Group (SWG), Legal Working Group (LWG), Air Transport Working Group (ATWG), Financial Working Group (FWG), Customs Working Groups (CWG), Electronic Commerce Working Group (ECWG) and Inter network Implementation Committee (IIC) were held on 1 and 2 October 2001. The Working Groups (WGs) also discussed the methods of cooperation between member countries to promote/implement EC solutions in respective sectors. The XML WG was encouraged to work out pilot projects in collaboration with other working groups to meet the needs. Also it was emphasized that awareness and education programmes need to be planned in each country/economy and members of other countries/economies to be invited to participate.

The Plenary was held on 3 October and the major issues discussed/resolutions passed are as given below :

- The proposal of Chinese Taipei for managing the permanent AFACT secretariat for four years was approved by the plenary. The permanent secretariat is also to create and manage the new AFACT web site.
- All the heads of delegation of participating countries and economies presented the country progress reports on EC/EDI/Trade Facilitation developments. Japan, Republic of Korea and Chinese Taipei reported significant progress in the ebXML developments.
- All the Chairpersons of joint working groups presented their reports.
- The UN/CEFACT Rapporteur for Asia presented the UN/CEFACT report for the year and AFACT related activities since the last AFACT meeting in September 2000 in Chinese Taipei.
- Pakistan and Indonesia signed MoU on EDI-VAN interconnectivity.
- The next, i.e., 20th AFACT session and EDICOM 2002 is scheduled at Kuala Lumpur during 27 October – 1 November 2002

The highlights of 19th AFACT session are as given below:

2.1 Web update and hyperlinking

The new web site of AFACT would be linked to member web sites. It would contain information related to Electronic Business (eB)/ Electronic Commerce (eC) Standard and Trade Facilitation (TF) issues/status, event calendar etc. All relevant meeting documents would also be included.

Each member country/economy was encouraged to have its own web site hyper-linked to the new web site of AFACT.

2.2 Joint Working Group

Each Working Group is to have at least two virtual meetings prior to AFACT working group meeting. The Working Group is to be either part of the AFACT web site or host their own web site hyperlinked to AFACT web site. Some of the important issues emerged out of JWG's are as set out below:

- **Electronic Product Catalogue Standardization**

The minimum data information content for Electronic Product Catalogue to be pursued by member countries/economies in virtual meetings of Purchase WG.

- **Efficient Consumer Response Boards**

The ECR (Efficient Customer Response) board of member countries/economies to co-ordinate with other member boards for standardization.

- **Adoption of EAN System**

EAN number system to be promoted for company identification. A directory of the same may be pursued in virtual meetings of the Purchase Working Group.

- **Self declaration issues of LWG**

In order to adopt freely acceptable legal environment for electronic transaction, the Exporter/Importer needs to be educated for the adoption of the self declaration environment being pursued by the legal working groups of AFACT and CEFACT.

- **Participation in IIC project**

Member countries/economies need to actively participate in Customs IIC project and also initiate similar projects in other areas.

2.3 ESCAP interface :

Active collaboration with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) may be worked out for the development of technical manpower and cross border pilot projects.

2.4 eb XML participation :

It was recognized that the future of e-business transactions would fall under ebXML domain. It was therefore felt necessary for the member countries/economy to participate in ebXML development and implementation process.

2.5 EDICOM 2001 :

The EDICOM 2001 Conference was organized on 3 – 4 October 2001. The focus was on how enterprises can better take advantage of the Internet. The topics discussed during the conference included UN/CEFACT related awareness issues, EDI/EC in Asia - regional scenario, EC challenges, strategies, Trade Facilitation and EC/EDI - EDI and e-services, facilitating trade, packaging and repositioning, Internetworking implementation, Indian Customs EDI system, ebXML issues and ebXML Asia project, Facilitation of Electronic Commerce using the Republic of Korea Central ebXML registry and repository, Multi channel payment -Internet, convergence, value chain and business approach in Indonesia, Panel discussions, etc.

A number of companies displayed their products and services in the exhibition covering Customer Relationship Management, Cyber Center, e-Banking, e-Business Solutions e.g. Customer Service and Support, Electronic Ordering/Payment, Supply Chain/Logistics Management, Business Intelligence, e-Commerce, e-Business products, Messaging, Online Shopping, Publications, Secure Payment System, Smartcard Technology, Supply Chain Automation, Training & Education, Publication(IT publication), Development Tools, Products, Wireless Application Protocols, etc.

2.6 Virtual Meeting of the AFACT Working Group

The first virtual meeting of the Legal Working Group of AFACT was held on 12 December 2001, to discuss the legal aspects of implementing the AFACT online trust mark.

3.0 Various initiatives in the region

3.1 Permanent Secretariat of AFACT

As per the decision taken at the 19th AFACT meeting held at Jakarta, the permanent Secretariat of AFACT has already started working at Taipei and the official AFACT Secretariat opening ceremony was held in Taipei on 7 March 7 2002. The new AFACT Website Address is www.afact.org. A conference was also organized on this occasion to address awareness and education issues.

3.2 ebXML Asia Committee

The ebXML Asia Committee, jointly initiated by KIEC (Korea Institute for Electronic Commerce), ECOM (Electronic Commerce Promotion Council of Japan), and TCA (Taipei Computer Association), is the congregation of eC/eB experts with the mandate to spread ebXML in the Asian region. The goal of the ebXML Asia Committee is to promote ebXML implementation for facilitating e-business in Asian Region, in order to enable a global electronic market place where enterprises of any size and in any geographical location can meet and conduct business with each other through the exchange of XML based message. KIEC (Korea Institute for Electronic Commerce) shall perform the duty of secretariat.

The 4th ebXML Asia Committee Meeting, held on 22- 23 November 2001, in which the delegates from Chinese Taipei, Japan, Republic of Korea and Malaysia intensively worked on the issue of contributing to ebXML work and implementing ebXML in Asia. In this meeting, the Committee reviewed its previous work items and selected such new work items such as promoting the use of ebXML specifications through implementation guidelines, promoting ebXML in Asia through POC and joint seminars, developing IT framework for implementing ebXML based on the Web Service solution, and participating in and contributing to ebXML work. For all the work items, specific target date was also set. Moreover the 5th ebXML Asia Committee meeting is scheduled in Chinese Taipei on 18-19 April 2002.

3.3 Seminar on Economic Globalization

A seminar on economic globalization was organized by the Ministry of Commerce, Islamic Republic of Iran on 29-30 January 2002.

3.4 Expert Group meeting on Emerging issues for Trade Facilitation and Electronic Commerce

ESCAP and the Government of India organized an expert group meeting on emerging issues of trade facilitation and electronic commerce on 6-7 December 2001 at Bangkok. Various experts from the Asian and the Pacific region countries attended, including Mr. T.A. Khan, Sr. Technical Director, National Informatics Centre, Government of India, New Delhi, India and UN/CEFACT Rapporteur for Asia. The expert group meeting discussed, identified and prioritized trade facilitation approaches which can be adopted by the developing Asia and the Pacific countries in the areas of standardisation and regulatory reforms of trade facilitation and the use of E-commerce as a mechanism of trade facilitation.

3.5 Regional Seminar on E-commerce

Asia Pacific Telecommunity (APT), in association with ESCAP and the Government of India organized a regional seminar on E-commerce on 11-14 December 2001 at Bangalore, India. This was attended by many participants from Asia and the Pacific region countries, including the UN/CEFACT Rapporteur for Asia. The seminar addressed the issues of promotion of E-commerce and development strategies through partnerships among small and medium sized enterprises (SMEs), the private sector, financial institutions, telecommunication carriers, policy makers, the government departments and the concerned organisations/association. Special emphasis was laid on E-commerce applications in rural areas. The issues which were deliberated at length and discussed for integration into the functioning of various organisations/member countries were in the areas of legal framework, high cost of initial investment, security issues, financial risks and inadequacy of network access posing as barriers to the developing countries.

3.6 Asian seminar on safety and quality of food for International trade

EAN India in association with the Government of India, ESCAP, UNECE, the Asian and Pacific Center for Transfer of Technology (APCTT), EAN International Industry Associations of India has scheduled an Asian seminar on safety and high quality food for international trade in New Delhi, India on 5-6 April 2002. It will address the issues of Global food trade facilitation and market access, food safety initiatives and market requirements, Traceability and Quality Assurance for consumer safety, Emerging and prevalent Quality Standards - Private & Public Standards, Role of transport in Global Trade Facilitation, Global outlook for agri-business and opportunities, HACCP compliance, Specialised tracks on-Fresh produce/Processed foods, Seafood, Meat and Dairy.

4.0 Conclusions

From the above, it may be concluded that the trade facilitation and electronic business activities have been integrated into the work programme of most of the countries and the economies in the Asia-Pacific region as a result of recognition of its importance by everyone. However, there is an urgent need for everyone to address the issues of the digital divide especially with respect to the developing and the least developed nations of this region. A coordinated approach to the adaptation of electronic mode of transacting business will induce greater efficiency in the trade processes of the region as well as globally. It may also be added that the infrastructure issues for transacting electronic business is something which calls for urgent attention if global

electronic trade transaction is to be achieved in integrated manner.
